ARGUMENTS/REMARKS

Amendments to the claims are shown in the listing of claims above. Claims 1, 4-6, 8, 10, 12-16, 18-32, and 34-44 remain in the application.

Response to objections and rejections under 35 U.S.C. §112

1. Title. A new title with increased description is provided. With this change, it is believed the title is sufficiently descriptive and withdrawal of this objection is respectfully requested.

2. Objections to "optimal" in claims 10 and 13-15. The claims have been amended change "optimal" to "optimizing," a term which indicates a direction rather than a result and embraces a sub-optimal process as disclosed in the application. With this change, it is believed the claims comply with the enablement requirement and withdrawal of this objection is respectfully requested.

3. Objections to "plurality . . . is one" in claims 2-3. Claim 1 has been amended to change "plurality" to "at least one" and claims 2-3 are cancelled to eliminate all references to "plurality . . . is one". With these changes, it is believed the claims comply with 35 U.S.C. §112.

4. Objection to "separate database memories" in claim 4. Claim 4 has been amended as indicated above to specify profiles are maintained in first and second database memory locations and is believed to comply with 35 U.S.C. §112. As amended, claim 4 is broad enough to cover different database architectures, which is not grounds for objection as indefinite.

5. Objection to terms used in calculation of "*break-even point*" in claims 8 and 18 and dependent claims 9-11. As argued below in the discussion of the Deal reference (Jack Deal, article at http://www.dealconsulting.com/finance/bread.html) these calculations do not concern the fixed break-even point defined by Deal but a marginal calculation that can be based on factors such as a number of additional merchants

offering additional coupons matching the request and affecting expected redemption rates. Objections to terminology "advertising fee" and "estimated number of redeems" have been dealt with by clarifying amendments to claims 8 and 18, and with these changes, it is believed the claims comply with 35 U.S.C. §112.

6. Objection to claim 17 due to missing words "is used". Claim 17 is cancelled.

7. Objection to claim 30 (and dependent claims 31-42) for mistaken recitation of "request in step (ix)". Claim 30 has been amended as indicated above to delete this reference, and it is believed these claims now comply with 35 U.S.C. §112.

8. Objection to claim 34 terminology. Claim 34 has been amended as indicated above to clarify that it relates to something other than the removal of at least one seller to increase the estimated number of redeems for the remaining sellers. With these changes, it is believed the claim complies with 35 U.S.C. §112.

Response to rejections based on prior art

Independent claims 1, 12, 16, 43 and 44 have been amended as shown above to clarify that the method and system are for distributing e-coupons redeemable for value in the purchase of goods or services from a seller, and that when requests are made for an e-coupon by a mobile user, the method or system proceeds by determining whether to provide said seller's e-coupon to the mobile electronic device in response to the request by determining the number of pending mobile requests during a processing cycle, and by calculating an initial threshold number of requests for the processing cycle based on the seller's margin for the goods or services associated with the e-coupon, the advertising fee charged for the distribution of the e-coupon, estimated rates of e-coupon redemption, and the number of additional e-coupons expected to be offered during a processing cycle by other sellers local to the location of the mobile electronic device in response to the mobile user request, and then authorizing the provision of said e-coupon when the number of pending mobile requests during the processing cycle is equal to or greater than the threshold number.

Dependent claims 8 and 18 specify that the initial threshold is determined by dividing the advertising fee for said e-coupon by a product of the estimated rate of e-coupon redemption times the seller's margin for the goods or services associated with the e-coupon.

Claims 10 and 13 specify that when there are sellers having pending requests for an e-coupon that are not greater than or equal to the initial threshold calculated for them, the method and system proceed by applying an optimizing consolidation process to all sellers with insufficient pending requests, including eliminating at least one such seller to obtain increased estimated rates of e-coupon redemption, recalculating using such increased estimated rates of e-coupon redemption to determine an optimized threshold number, and authorizing the provision of said e-coupon when the number of pending mobile requests during the processing cycle is greater than or equal to the optimized threshold number.

It is respectfully submitted that none of the cited prior art references disclose or suggest the subject matter of these amended claims, nor the remaining claims dependent on them.

The rejections are:

- Claims 1, 4-6 and 16 under Awada et al.
- Claims 7, 12, 21-32, 43 and 44 under Awada et al. in view of Pallakoff.
- Claims 8-11, 13-15, 17, 18, and 33-40 under Awada et al., in view of Pallakoff, further in view of Deal.
- Claims 19 and 20 under Awada et al., in view of Pallakoff, in view of Deal, and in further view of Morrison et al.
- Claims 41 and 42 under Awada et al., in view of Pallakoff, in view of Deal and in further view of Warner et al.

These rejections are addressed below with respect to their application to the independent claims, as amended, and this discussion applies, a fortiorari, to the dependent claims.

A comparison of the subject matter of independent claims 1, 12, 16, 43 and 44, as amended above, with the cited references is set forth below. When so compared, it is respectfully submitted that the references do not disclose or suggest the subject matter of the claims.

Awada et al. (US 2002/0065713 A1) discloses a method for delivering coupons via mobile communications devices, based on location. A database of merchant coupons is maintained. The mobile user accesses the database, receives a menu of services categories (dining, lodging, etc.) and selects the desired category of services. "Discount coupons for merchants in the user's vicinity are then sent to the user." Coupons to be sent to the user are "chosen based on the selected preferences and the user's location" (Abstract). All merchant coupons matching preferences and location are sent to mobile requesters, and Awada et al. make no suggestion of limiting distribution of coupons based on any other criteria, and in particular makes no suggestion of limiting distribution based on any of: the number of requests within a period, the number of merchants offering coupons matching preferences and location within the period, and a comparison of that number of user requests to a threshold number determined based on the merchant's margin for the coupon-associated goods or services, expected rates of coupon redemption, and advertising fees, collectively for all of the merchants offering coupons matching preferences, and then authorizing distribution of coupons to users when the number of requests exceeds the threshold number.

Pallakoff (US 6,269,243 B1) discloses a marketing method and system in which a single seller promulgates a conditional offer to potential buyers with several prices which are revealed to buyers and the final purchase price depends on the aggregated amount of purchases that buyers collectively agree to make from that seller by a given deadline (time and date)(See Abstract). Nothing in Pallakoff relates to coupon offers ("e-coupons redeemable for value in the purchase of goods or services from a seller") or mobile

commerce, and thus there is no suggestion to combine any teaching in Pallakoff with that of Awada et al. Moreover, if, contrary to the lack of evidentiary support for combining these references, they were nevertheless combined, the resulting arrangement would be far different from what applicant discloses and teaches. Taking Pallakoff's teaching and combining it with Amada et al. would result in an arrangement in which mobile users would contact a seller, who would in turn send to all of the users a conditional offer with several different prices dependent on the number of users accepting the offer. The offer sent to all of the users would be something like this: "We will sell you one hamburger priced at $5 if you and 10 other users make a firm offer to buy a hamburger in the next hour, at $4 if you and 50 other users make a firm offer to buy a hamburger in the next hour, $3 if you and 100 other users make a firm offer to buy a hamburger in the next hour." (See col. 4, lines 20-41) Users would indicate an offer to buy, and if there were insufficient offers, then the seller would notify the users that the offer was cancelled. (see col. 9, lines 14-16) If there were multiple sellers, each would send to all users an offer with several prices conditioned on the number of users accepting the offer. This is not at all what applicants' method and system claims provide, and in particular nothing in Pallakoff, even if combined as discussed with Amada et al., would provide for limiting coupon distribution based on any of: the number of user requests within a period, the number of merchants offering additional coupons matching preferences and location within the period, and a comparison of that number of user requests to a threshold number determined based on merchant's margin for the coupon-associated goods or services, expected rates of coupon redemption, and advertising fees, collectively for all of the merchants offering coupons matching user preferences, and then authorizing distribution of coupons to users when the number of requests exceeds the threshold number.

Deal (Jack Deal, "The Break-Even Point and The Break-Even Margin", dealconsulting.com web page) discloses well-known calculations for break-even points (revenues equal expenses) and break-even margins (margins at which revenues equal expenses). Nothing in this reference discloses or suggests the method or system of applicants' claims (claims 8 and 18) which add features relating to calculation of the

threshold number, as this calculation does not use product break-even points, which are based on total revenues and expenses. Instead, the calculation determines a marginal number of coupons to be distributed, which at an expected redemption rate will yield sales with margins to recover advertising fees. This says nothing about product break-even points or break-even margins, as total revenues and expenses are not used in the calculation, but instead a merchant-declared margin for the goods or services associated with the e-coupon is used and that margin presumably incorporates an element of profit and thus is not a break even margin, and that margin is associated with a sales price, not used in the calculation, that again presumably includes a profit and exceeds a break even price. Nothing in Deal would lead one to take the features of the independent claims and result in the calculation of claims 8 and 18.

Morrison et al. (US 2002/0082946 A1) discloses an auction method and system for permitting simultaneous submission of bids on multiple different items from a single screen image. (See Abstract) Multiple items offered for auction are simultaneously displayed on a single screen, and bids are (1) permitted to be made on all items on the single screen, (2) submitted on the single screen, (3) confirmed on the single screen, and (4) results of the bidding reported on the single screen. Morrison provides a solution to the problem of having to change screens repeatedly to handle bidding on multiple items. Morrison does not concern redeemable coupons, mobile commerce, nor any arrangement for limiting coupon distribution to mobile users based on any of: the number of user requests within a period, the number of merchants offering additional coupons matching preferences and location within the period, and a comparison of that number of user requests to a threshold number determined based on merchant's margin for the coupon-associated goods or services, expected rates of coupon redemption, and advertising fees, collectively for all of the merchants offering coupons matching user preferences, and then authorizing distribution of coupons to users when the number of requests exceeds the threshold number. Nothing in the disclosure of Morrison suggests its combination with any of Amada et al., Pallakoff, or Deal and if combined would simple result in a single screen for handling mobile user requests for multiple coupons—falling far short of the subject matter of applicants' claims.

Warner et al. (US 5,404,502) discloses a database error detection technique which involves a "comparison of the shadow master record after replay and the value of the master record before replay" to indicate "the presence or absence of an integrity error." (See Abstract.) This error detection technique, while perhaps a useful addition, does not disclose any of the features of applicants' claims that involve redeemable coupons, mobile commerce, nor any arrangement for limiting coupon distribution to mobile users based on any of: the number of user requests within a period, the number of merchants offering coupons matching preferences and location within the period, and a comparison of that number of user requests to a threshold number determined based on merchant's margin for the coupon-associated goods or services, expected rates of coupon redemption, and advertising fees, collectively for all of the merchants offering coupons matching user preferences, and then authorizing distribution of coupons to users when the number of requests exceeds the threshold number. Nothing in the disclosure of Warner et suggests the combination of its teaching with any of Amada et al., Pallakoff, Deal, or Morrison for any purpose other than error-checking, which is not a subject of applicants' independent claims.

The foregoing references not only fail to disclose or suggest the subject matter of the independent claims, it is apparent they likewise fail to disclose the subject of claims 8 and 18, and 10 and 13. With respect to the latter two claims, there is no hint in any of the references of an arrangement which calculates two thresholds, a first initial threshold, and then a second optimized threshold if a seller's requests do not warrant distribution of e-coupons based on the initial threshold.

For the foregoing reasons, it is respectfully submitted that claims 1, 4-6, 8, 10, 12-16, 18-32, and 34-44 are now allowable, and reconsideration and allowance of the claims in this case are respectfully requested. If there are any outstanding issues, the Examiner is invited to contact applicant's attorney at 203-838-8037.

An associate power of attorney to the undersigned is attached, together with a notification of change of correspondence address.

Respectfully,

Kin K. Leung et al.

By: _____

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